

# *News and Information*

*From the Tennessee Division of Consumer Affairs*

*615-741-4737 or toll free 800-342-8385*

[www.state.tn.us/consumer](http://www.state.tn.us/consumer)

---

**For Immediate Release  
June 15, 2001**

**Contact:  
David McCollum  
Chris Allen**

**Weekly Column by David McCollum, Director  
Tennessee Division of Consumer Affairs  
Volume 1, Issue 20**

## **Start Spending Smart**

When spring came along, you finally broke down and bought that little convertible you've always wanted. (Or was it a motorcycle?) Then you maxed out the credit cards on that Caribbean cruise for your anniversary. Now, you've got a leaky roof, and you're going to have to take out a loan to repair it. You've begun to suspect all that spending wasn't such a bright idea, after all. You're right. It wasn't. Don't pull your hair out, though. With a little planning and a lot of discipline you can get things straightened out.

First, find out how much money you actually bring home each month. If you work on commission or have a shifting work schedule, this amount may vary. In that case, it is better to base your budget on the lowest expected income and be left with extra cash than to plan for money that may not be there when you need it.

Next, make a list of the expenses that are the same every month. Your rent, car payment, house payment and insurance premium would be good examples. Then write down the expenses that change from month to month like clothing, entertainment, and recreation. You should include small daily items like soft drinks, candy, and fast food. You may be surprised by how much you are spending on these things.

If your expenses are more than your income, you will need to make changes. Pay for the necessities first; food, housing, clothes, and transportation. Then look at what else can be cut. Your local library will have information on how to go about this process.

With discipline, you should be able to live within your means and even save a little for a rainy day. You can't prevent emergencies from coming up, but you can be prepared when they happen. If you've got a little emergency fund, you won't need to borrow money on a rainy day.

If you have questions or concerns regarding credit or any other consumer issue, contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or visit [www.state.tn.us/consumer](http://www.state.tn.us/consumer).